

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of	)	
	)	
International Settlements Policy Reform	)	IB Docket No. 02-324
International Settlement Rates	)	IB Docket No. 96-261
	)	

**COMMENTS OF PANAMSAT CORPORATION**

PanAmSat Corporation (“PanAmSat”), by its attorneys, hereby comments on the Notice of Proposed Rulemaking (“NPRM”) in the above-captioned proceeding.<sup>1</sup> In the NPRM, the Commission proposes reform of the International Settlements Policy (“ISP”), International Simple Resale (“ISR”) and benchmark policies, and addresses the issue of foreign mobile termination rates.

PanAmSat’s comments are limited to the Commission’s proposals to narrow or eliminate the “No Special Concessions” rule. For reasons that are discussed below, the Commission should ensure that any changes to this rule are consistent with the prohibition against exclusive arrangements that is set forth in the Open-Market Reorganization for the Betterment of International Telecommunications Act (“ORBIT”).<sup>2</sup>

The Commission seeks comment on whether it should reexamine the application of the “No Special Concessions” rule. Under this rule, the Commission permits U.S. carriers to seek special concessions on non-ISP routes in certain circumstances. On those routes, they may seek special concessions with respect to: (1) the terms and conditions under which traffic is settled; and (2) other matters, unless the foreign carrier on the route possesses market power.<sup>3</sup> In the NPRM, the Commission asks whether the rule should be narrowed or eliminated.<sup>4</sup>

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<sup>1</sup> FCC 02-285 (Oct. 11, 2002).

<sup>2</sup> P.L. No. 106-180, 114 Stat. 48 (2000), 47 U.S.C. 701 *et. seq.*

<sup>3</sup> NPRM at ¶¶ 38-39. *See also* 47 C.F.R. § 43.14.

<sup>4</sup> NPRM at ¶ 39.

PanAmSat takes no position as to whether the “No Special Concessions” rule should be narrowed or eliminated for non-satellite services. To the extent any such narrowing or elimination occurs, however, it should leave undisturbed the prohibition against exclusive satellite services arrangements that is set forth in ORBIT.<sup>5</sup> That statute, which was enacted to give Intelsat and Inmarsat the incentive to privatize in a pro-competitive manner, states that “[n]o satellite operator shall acquire or enjoy the exclusive right of handling telecommunications to or from the United States ... by reason of any concession, contract, understanding, or working arrangement to which the satellite operator or any persons or companies controlling or controlled by the operator are parties.”<sup>6</sup> The Commission should craft any rule changes to ensure that satellite operators remain subject to this requirement.

For the reasons stated herein, the Commission should make certain, consistent with these comments, that any policy or rule changes comply with ORBIT.

Respectfully submitted,

PANAMSAT CORPORATION

/s/ Joseph A. Godles  
Joseph A. Godles  
Michael A. McCoin

GOLDBERG, GODLES, WIENER & WRIGHT  
1229 Nineteenth Street, NW  
Washington, DC 20036  
(202) 429-4900

Its Attorneys

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<sup>5</sup> See 47 U.S.C. 765(g).

<sup>6</sup> *Id.*